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In re Patent No. 5,927,543
Issue Date: July 27, 1999
Application No. 09/000,971
Filed: December 30, 1997
Title: DISPENSER FOR GLOVES MADE OF
SHEET MATERIAL

DECISION ON PETITION

This is a decision on the "PETITION TO ACCEPT UNAVOIDABLY DELAYED PAYMENT OF MAINTENANCE FEE FOR EXPIRED PATENT (37 C.F.R. § 1.378(B))" filed June 10, 2011.

The petition is **dismissed**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this two-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400.00 as set forth in 37 CFR 1.17(f). The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted below because the Director will not undertake any further reconsideration or review of the matter after a decision on the petition for reconsideration.

The patent issued on July 27, 1999. The second maintenance fee could have been paid during the period from July 27, 2006 through Monday, January 29, 2007 or with a surcharge during the period from Tuesday, January 30, 2007 through July 27, 2007. Accordingly, this patent expired on July 28, 2007, for failure to timely remit the second maintenance fee.

On June 10, 2011, petitioners filed the present petition accompanied by the maintenance fee and surcharge payment and the Declaration of Laurence Liot, Intellectual Property Annuity Department Manager at Cabinet Beau de Loménie. Petitioners aver that the patent owner did not become aware that the second maintenance fee had not been paid until December 2010, when they attempted to pay the third maintenance fee. Petitioners assert that the patent owner authorized ACUMASS, a

company specializing in maintenance fee payments, to pay the second maintenance fee, but ACUMASS did not pay the fee as instructed. Petitioners maintain that the delay in timely paying the second maintenance fee was unavoidable and resulted from clerical errors on the part of employee(s) at Cabinet Beau in the performance of a clerical function.

Petitioners set forth the circumstances that led to the failure to timely pay the maintenance as follows:

On October 18, 2006, a reminder letter that the maintenance fee was due was sent by Cabinet Beau de Loménie (hereinafter Cabinet Beau) to its client, SESAME. Liot Declaration, ¶ 9. SESAME responded on November 8, 2006 returning the original letter and checking the box "A Payer" to authorize payment. *Id.* The returned letter also included the payment of 1845,43 EUR. *Id.* Confirmation of the instructions to pay the maintenance fee was acknowledged in a letter to SESAME on November 9, 2006. *Id.*

In accordance with established procedures with ACUMASS, all patents or patent applications having the same month for payment are presented in a batch listing prepared by Cabinet Beau. Liot Declaration, ¶ 10. A list was prepared on October 16, 2006 for January 2007 (note title "Echeance 01-2007"). *Id.* The '543 patent is listed under account "1H909070" for SESAME. Further, in accordance with ACUMASS's protocol, instructions to pay fees for the patents listed in the batch listing could not have been presented to ACUMASS before December 7, 2006. *Id.*

Cabinet Beau's computer system showed that the instructions to pay were received on November 8, 2006 ("Instruction"), that payment was ordered on December 7, 2006 ("Ordre paiemt"), and that payment was authorized to be paid on November 9, 2006 ("Réalisation"). *Id.*

Cabinet Beau maintained an internal control journal in which handwritten notations were entered after each patent or application for which fees were due for January 2007. Through a clerical error, a notation "attente" or pending was entered for the '543 patent even though instructions had been received to pay the maintenance fee. A listing for ACUMASS was prepared which parroted the journal notation entries and sent to ACUMASS. Liot Declaration, ¶ 11. Since the notation for the '543 patent was "attente", ACUMASS understood the notation as an instruction not to pay the fee.

A "Maintenance Fee Reminder Notice" from the USPTO dated February 14, 2007, was forwarded to Cabinet Beau by law firm Miles & Stockbridge, PC (subsequent to the issuance of the '543 patent, the original law firm prosecuting the patent, Kerkam, Stowell, Kondracki and Clarke, had been merged with Miles & Stockbridge, PC) with a hand-written notation that the client assumed responsibility for payment of the maintenance fee ("mf") as "per client fax of 11/17/06." Liot Declaration, Exhibit 6. Cabinet Beau erroneously processed the reminder as an "official quittance," i.e., a notice from the USPTO that the maintenance fee had been paid. Accordingly, the '543 patent was not listed on the batch list of "quittances non recues," that is, fees to be paid.

Instead, the '543 patent was not listed. Liot Declaration, ¶¶ 13 and 14. Accordingly, Cabinet Beau's computer records did not show that the fee had not been paid.

Statement, 06/10/11, pp. 1-2.

The Director may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. 37 CFR 1.378(a).

A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must include the following:

- (1) the required maintenance fee set forth in § 1.20(e) through (g);
- (2) the surcharge set forth in § 1.20(i)(1); and

(3) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

This petition lacks requirement (3).

Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. This is a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word 'unavoidable' . . . is applicable to ordinary human affairs; and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). A petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987). Moreover, a patentee's lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay. See Patent No. 4,409,763, 7 USPQ2d 1798 (Comm'r Pat. 1988).

As 35 U.S.C. 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Id. Thus, where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

In determining whether the delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray v. Lehman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995). The patent owner at the time of the expiration of the patent is ultimately the person responsible to ensure the timely payment of the maintenance fees. The patent owner may engage another to track and/or pay the maintenance fees; however, merely engaging another does not relieve the patent owner from his obligation to take appropriate steps to ensure the timely payment of such maintenance fees. See California Medical Prods. v. Tecnol Medical Prods., 921 F. Supp. 1219, 1259 (D. Del. 1995). The USPTO must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of an applicant, and an applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992). Specifically, delay caused by the actions or inactions of a voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. 133. Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (D. Ind. 1987).

The Office notes that an error in a docketing system could possibly result in a finding that a delay in payment of the maintenance fee was unavoidable if it were shown that reasonable care was exercised in designing and operating the system and that petitioner took reasonable steps to make certain that the patent was entered into the system to ensure timely payment of the maintenance

fees. A delay resulting from an error (*e.g.*, a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of “unavoidable” delay, provided it is shown that:

- (1) the error was the cause of the delay at issue;
- (2) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance;
- (3) and the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.

MPEP 711.03(c)(III)(C)(2).

An adequate showing requires:

- (A) Statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them.
- (B) Petitioners must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person responsible for the maintenance of the system. This showing must include copies of mail ledgers, docket sheets, file wrappers and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed to provide adequate notice that a reply was due.
- (C) Petitioners must supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

In his Declaration, Mr. Liot stated that he was responsible for monitoring annuity payments and maintenance fees for French and other foreign patents including maintenance fee payments for U.S. patents for clients of Cabinet Beau. He asserted that through a clerical error in his department, Cabinet Beau’s internal control journal was not updated to indicate that the instruction to pay the maintenance fee had been confirmed on November 9, 2006. Mr. Liot averred that because of this error, the listing sent to ACUMASS on December 7, 2006, did not include an authorization for ACUMASS to pay the maintenance fee for the ‘543 patent. Mr. Liot indicated that second error occurred when the clerical staff in his department received the Maintenance Fee Reminder Notice in or around early March 2007, and erroneously docketed it as “official quittance” (an entry into Cabinet Beau’s computer system data from a document showing that the maintenance had been paid). Mr. Liot explained that if the maintenance fee for the ‘543 patent had not been paid, then it

would have appeared on the batch listing. Because it was not on the list, Mr. Liot stated that his department was not altered that the second maintenance fee had not been paid.

After reviewing the facts presented and the Declaration of Mr. Liot, it does not appear that Mr. Liot committed the clerical errors. Rather, Mr. Liot indicated the clerical errors were committed by clerical staff in his department. Mr. Liot did not specifically identify the person(s) who committed the clerical errors that resulted in the failure to pay the maintenance fee in a timely manner. Furthermore, Mr. Liot did not submit information regarding the training provided to the personnel responsible for these errors, the degree of supervision of their work, examples of other work functions carried out, and checks on the described work that were used to assure proper execution of assigned tasks. Mr. Liot did not indicate whether it was reasonable to rely on those persons to perform their duties in light of their level of training and experience. Moreover, petitioners did not provide any statements from the personnel who were responsible for the docketing errors or explain what steps were taken to obtain such statements. Lastly, the Office notes that the Exhibits submitted on petition such as emails and correspondence are written in French. As petitioners are relying on these documents in support of their petition, a translation of the relevant documents into English and an affidavit attesting to the accuracy of the translation should be submitted with any renewed petition.

In view of the above, the petition under 37 CFR 1.378(b) is dismissed.

Petitioners should note that if this petition is not renewed, or if renewed and not granted, then the maintenance fee and post-expiration surcharge are refundable. The \$400.00 petition fee for seeking further reconsideration is not refundable. Any request for refund should be in writing to the following address:

Mail Stop 16
Director of the US Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

A copy of this decision should accompany any request for a refund.

The file does not indicate a change of address has been submitted, although the address given on the petition differs from the address of record. A courtesy copy of this decision is being mailed to the address on the petition. However, the Office will mail all future correspondence solely to the address of record until otherwise notified. Change of correspondence forms are enclosed for petitioners' convenience.

Additionally, the Office finance records reveal that petitioners submitted \$2,440.00 for the maintenance fee due at 7.5 years and unavoidable delay surcharge. The Office notes that the current small entity fee for the second maintenance fee is \$1,240.00 and the surcharge is \$700.00 for a total of \$1,940.00. It appears that petitioners overpaid in the amount of \$500.00. Petitioners

may either request a refund of \$500.00 at the address listed above or request that the amount be applied toward the \$400.00 fee for filing a petition for reconsideration under 37 CFR 1.378(e) (leaving a refundable balance of \$100.00).

Further correspondence with respect to this matter should be addressed as follows:

By mail: Mail Stop Petition
 Commissioner for Patents
 P.O. Box 1450
 Alexandria, VA 22313-1450

By FAX: (571) 273-8300
 Attn: Office of Petitions

By hand: Customer Service Window
 Randolph Building
 401 Dulany Street
 Alexandria, VA 22314

Correspondence may also be submitted via the Electronic Filing System of the USPTO.

Telephone inquiries concerning this matter may be directed to the undersigned at (571) 272-3211.

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Enclosures (2)

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